

**Department of Alcohol and Drug Programs
Funding Hierarchy Chart**

PROGRAM	FUNDING OF FIRST RESORT ¹	FUNDING OF SECOND RESORT	FUNDING OF THIRD RESORT
Drug Medi-Cal (DMC) (Regular and Perinatal)	DMC	State General Fund (SGF) Discretionary may be used to cover costs that exceed the DMC maximum allowances or NTP rates	N/A
Non Categorical Regular Alcohol and Other Drug Services	Client Fees and Private Insurance	SGF Discretionary, Substance Abuse Prevention and Treatment Block Grant (SAPT) Discretionary, or SAPT Substance Abuse Treatment and Testing Accountability (SATTA)/ Discretionary Funds ⁵	
Perinatal Services	Funding Sources Identified in Title 45, CFR, Section 96.137 ⁹	Perinatal SGF and SAPT Perinatal Set-Aside ²	SGF Discretionary, SAPT Discretionary, or SAPT SATTA Discretionary funds ⁵
Adolescent and Youth Treatment	SAPT Adolescent and Youth Treatment Funds	SGF Discretionary, SAPT Discretionary, or SAPT SATTA Discretionary Funds ⁵	N/A
Parolee Services Network (PSN)	PSN Funds	SGF Discretionary may only be used to cover costs that exceed the maximum PSN rate ⁸	N/A
Female Offender Treatment Program (FOTP)	SAPT FOTP Funds	SGF Discretionary, SAPT Discretionary, or SAPT SATTA Discretionary Funds ⁵	N/A
Prevention Services	SAPT Prevention Set-Aside ³	SGF Discretionary, SAPT Discretionary, or SAPT SATTA Discretionary Funds ⁵	N/A
HIV Early Intervention Services	Funding Sources Identified in Title 45, CFR, Section 96.137 ⁹	SAPT HIV Set-Aside ⁹	N/A
Substance Abuse and Crime Prevention Act (SACPA)	Substance Abuse Treatment Trust Funds (SATTF) (including client fees), SAPT SATTA Drug Testing Funds ⁶ , or Drug Medi-Cal ⁷	SGF Discretionary	SAPT Discretionary ⁴ or SAPT SATTA Discretionary Funds ⁵
Drug Courts	Drug Court Partnership (DCP) Act or Comprehensive Drug Court Implementation (CDCI) Allocations, as appropriate	SGF Discretionary	SAPT Discretionary ⁴ or SAPT SATTA Discretionary Funds ⁵

[1] If the appropriate services are available in the Drug Medi-Cal (DMC) program and the client is DMC eligible, DMC is always the funding of first resort.

[2] For Perinatal services the expenditure of both SGF Perinatal and SAPT Block Grant Perinatal funds is necessary to meet the Perinatal Services Set-Aside (aka Maintenance of Effort (MOE)) requirement. Perinatal funds can only be used for treatment services designed for pregnant women and women with dependent children [Title 42, United States Code (U.S.C.), Section 300x-22(b), and the other requirements contained in Title 45, Code of Federal Regulations (CFR), Sections 96.124(c), 96.124(d), and 96.124(e)].

[3] The SAPT Block Grant Prevention Set-Aside funds are expended first to meet the Primary Prevention Set-Aside requirement.

[4] SAPT funds may be used for FOTP, SACPA, and Drug Courts provided that ALL funding allocated for these programs has been depleted and there are no other funds available to supplement the funding of these programs. Please note that SAPT funds may not be used to cover criminal justice costs associated with these programs. Per Title 42, U.S.C., Section 300x-21(b), SAPT funds may only be used for purpose of planning, carrying out, and evaluating activities to prevent and treat substance abuse.

[5] SAPT SATTA funds may be used for drug testing and for other purposes allowed under SAPT. SAPT SATTA funds may be used for drug testing provided it is part of the client's treatment plan and not a stand alone program or initiative. SAPT SATTA funds not expended on Drug Testing are SAPT Discretionary funds.

[6] SAPT SATTA Drug Testing Funds are the Funding of First Resort ONLY for the Drug Testing of SACPA clients, not for the provision of AOD treatment services in the SACPA program.

[7] Under Title 9, California Code of Regulations, Section 9533, DMC funds may be used if the SACPA client is DMC eligible and the clinic is DMC certified.

[8] The PSN funds were appropriated to the California Department of Corrections to carry out PSN services. These services would have been provided irrespective of federal funding. Federal funds may not be spent on a service that the state would have provided whether or not the federal funding had been received. Using federal funds for PSN would be viewed as supplanting State funds.

[9] The Block Grant money that may be spent is governed by Title 45, CFR, Section 96.137. Section 96.137 requires that the SAPT Block Grant will be the payment of last resort. Entities that receive funding under the Block Grant and provide services pursuant to sections 96.124(c) and (e), 96.127 and 96.128* shall make every reasonable effort, including the establishment of systems for eligibility determination, billing and collection to:

A) Collect reimbursement for the costs of providing such services to persons who are entitled to insurance benefits under the Social Security Act, including programs under Title XVIII (Health Insurance for the Aged and Disabled) and Title XIX (Grants to the States for Medical Assistance (Medicaid) (Medi-Cal)), any state compensation program, any other public assistance program for medical expenses, any grant program (e.g. Ryan White for HIV Early Intervention Services), any private health insurance, or any other benefit program; and

B) Secure from patients or clients payments for services in accordance with their ability to pay.

* Title 45, CFR, Sections 96.124(c) and (e) pertain to women's services. Section 96.124(c) establishes SAPT Block Grant maintenance of effort requirement for services designed for pregnant women and women with dependent children. Section 96.124(e) requires that services to pregnant women and women with dependent children pursuant to Section 96.124(c) be provided to individuals who have no other financial means of obtaining such services as provided in Section 96.137. Section 96.124(e) also goes on to require treatment programs receiving funding for such services also provide or arrange for other services, which must be developed in consultation with the State Medical Director for Substance Abuse Services. Sections 96.127 and 96.128 pertain to Tuberculosis and HIV Early Intervention services.